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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

December 4, 1997

EX PARTE OR LATE FILED

Mr. William E. Kennard
Chairman
Federal Communications Commission
1919 M. Street N.W.
Washington, D.C. 20554

Re: Policy and Rules Concerning the
Interstate Interexchange Marketplace,
CC Docket No. 96-61

Dear Mr. Kennard:

I am writing in response to the Commission's recent decision to eliminate the information disclosure requirement for telecommunications companies as part of its order requiring mandatory detariffing. The project that I direct studies issues of consumer billing, focusing on billing errors, fraud and deception. We consistently receive complaints from consumers regarding telephone billing errors where consumers were provided with inadequate information prior to establishing service and when they complain about their bills.

Eliminating the requirement for public disclosure will impede consumer choice. The Commission's decision to remove the public disclosure requirement creates a situation where consumers will be denied information regarding long-distance rates, preventing them from effectively engaging in comparison shopping. Without a guaranteed mechanism to provide for comparison shopping, it is impossible to establish a truly competitive market between carriers -- the stated goal of the Telecommunication Act of 1996 and the FCC. This will operate to the detriment of consumers.

The elimination of public disclosure will impede consumer complaints and queries regarding questionable charges on their bills. As Commissioner Susan Ness wrote in a recent statement dissenting in part from the Commission's detariffing of rates, "In my judgment, the public disclosure requirement should be maintained. This requirement, adopted at the specific request of the principal sponsors of the rate integration and geographic averaging provision of the statute, provides a ready mechanism for consumers to ascertain whether carriers are in fact complying with their obligations under section 254 (g). While the same information could be collected by the Commission in a complaint proceeding, or even in routine audits, I believe this approach unnecessarily sacrifices the prophylactic effect of requiring that the information be readily available to persons who lack the resources to initiate proceedings at the Commission."

Consumers already have difficulty in obtaining information regarding phone service from their long-distance carriers. Recently, I received a complaint from a consumer who was offered a very low rate on long-distance calls. Once he signed up with the long distance carrier, they charged him a rate three times higher than that offered. Even under the current regulations, the carrier refused to provide him with information regarding their rate schedules. The carrier transferred this consumer from department to department, with

each department refusing to disclose information. The consumer became so frustrated that he simply gave up on this issue and paid his bill. He could have filed a complaint with the FCC, but chose not to expend further effort.

The Commission appears to believe that it is adequate that information regarding long distance rates and services can be collected during complaint proceedings and routine audits by the Commission. However, this strategy diminishes the possibility of consumers investigating these issues on their own. We often hear from consumers regarding interstate telephone service. Many of these consumers do not understand the complaint process or do not wish to expend further time and energy on their issue by filing a complaint with the FCC and end their investigation of their telephone bill with the carrier. Those consumers who wish to resolve a complaint on their own will be hampered in their efforts. Consumers are already easily discouraged from pursuing complaints regarding telephone companies. If they cannot obtain basic information from their carrier, they will be further discouraged.

Whatever benefits regarding tacit price coordination that may be obtained by the elimination of information disclosure may very well be outweighed by harms to consumers. Denying consumers across the country access to important information regarding their interstate service will interfere with their ability to select and monitor their long-distance service. I urge the Commission to take these concerns into consideration in making any determination on public disclosure.

Finally, I would encourage the Commission to consider increasing the information available to the public regarding interstate phone service. The Commission could require interstate providers to submit information on a regular basis to the FCC regarding rates and services for the purpose of compiling national averages based on consumer profiles. Consumers would be able to request information from the FCC through the mail or through the internet regarding average rates for long-distance service based on their particular calling patterns. Such information would help consumers to determine if they are paying fair rates with their current provider. In addition, all interstate providers should be required to provide their customers with plain English disclosures in writing regarding the rates, stipulations and any conditions that apply to their current plans with these carriers. With these two provisions, consumers could accurately assess their current plan and compare it to averages for all plans.

Sincerely,

A handwritten signature in dark ink, appearing to read "Todd Larsen", with a stylized, cursive script.

Todd Larsen